

LAW OFFICES
MOSS & BARNETT
A PROFESSIONAL ASSOCIATION

4800 NORWEST CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402-4129

TELEPHONE (612) 347-0300

FACSIMILE (612) 339-6686

WRITER'S DIRECT DIAL NUMBER

347-0275

HERMAN J. RATTLE
PAUL VAN VALKENBURG
MICHAEL L. FLANAGAN
THOMAS A. KELLER III
W. SCOTT HERZOG
WAYNE A. HERGOTT
JAMES E. O'BRIEN
PAUL G. NEIMANN
EDWARD L. WINER
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WILLIAM A. HAUG
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CHARLES E. JONES

BRIAN T. GROGAN
MICHAEL J. LUZUM
CORY LARSEN BETTINGA
KLAY C. AHRENS

OF COUNSEL
RICHARD C. JOHNSON

RETIRED
J. BRAINERD CLARKSON
FREMONT C. FLETCHER
VERNE W. MOSS
JAMES H. HENNESSY
STANLEY R. STASEL
HOWARD S. COX
PATRICK F. FLAHERTY

May 31, 1996

VIA FEDERAL EXPRESS

William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

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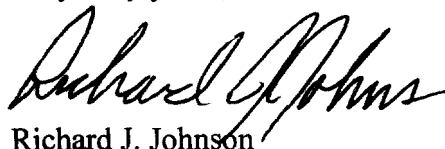
Re: In the Matter of Implementation of the Local Competition
Provisions of the Telecommunications Act of 1996
CC Docket No. 96-98

Dear Mr. Caton:

Enclosed for filing with your office are the original and 16 copies of the Reply Comments of the Minnesota Independent Equal Access Corporation regarding the above-referenced matter.

If you have any questions regarding the enclosures, please do not hesitate to contact me.

Very truly yours,


Richard J. Johnson

RJJ/jdh
Enclosures
cc: (with enclosure)
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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

In the Matter of)

Implementation of the Local Competition)
Provisions in the Telecommunications Act)
of 1996)

CC Docket No. 96-98

**REPLY COMMENTS OF THE MINNESOTA
INDEPENDENT EQUAL ACCESS CORPORATION**

10300 6th Avenue North
Plymouth, MN.
(612)-230-4300

Joy Gullikson
Regulatory Manager

Date: June 3, 1996

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Reply Comments of Minnesota Independent Equal Access Corporation

The following Reply Comments are submitted by the Minnesota Independent Equal Access Corporation ("MIEAC") to address prior Comments relating to dialing parity and Centralized Equal Access ("CEA"). MIEAC is a CEA provider pursuant to authority granted by the Federal Communications Commission (the "Commission") and the Minnesota Public Utilities Commission ("Minnesota PUC"). MIEAC began providing CEA in February, 1992 and currently provides CEA to approximately 230,000 access lines in Minnesota.

The Commission has requested comments and replies concerning the dialing parity requirements of the Telecommunications Act of 1996 (the "Act")¹. For the reasons set forth below, the Commission should issue no rules that would impair the operations of MIEAC or other CEA providers. CEA provides dialing parity which fully complies with the requirements of Section 251(b)(3) of the Act. Indeed, MIEAC and other CEA providers have been pioneers in providing IntraLATA dialing parity, including full 2-PIC capability. CEA provides an appropriate solution to provision of equal access in many rural areas and should not be impaired by rules that the Commission may adopt.

I. MCI'S COMMENTS REGARDING CEA ARE INACCURATE.

In its Comments, MCI indicates its preference for end office equal access and stated that CEA is an inferior form of equal access.² MCI's Comments are inaccurate and MCI's stated

¹ Notice of Proposed Rulemaking, CC Docket 96-98 at ¶¶ 202 -219.

² MCI Comments, dated May 20, 1996 ("MCI Comments") at pp. (i),5.

preference for end office equal access and recommendation that the Commission “require end office equal access over centralized equal access” should be rejected.

A. MCI inaccurately infers that end office equal access is more reliable than CEA.

In its Comments, MCI infers that “lack of redundancy” is an issue with CEA, but not with end office equal access³. To the contrary, both end office equal access and CEA provide equal access through a single switch location. With end office equal access, the presubscription software is installed in a single end office switch. CEA provides the presubscription software through a single tandem location. In both cases, the presubscription software is located in a single switch.

In addition, MIEAC and other CEA networks, are rapidly introducing redundant routing and loop architecture between end offices receiving CEA service and the CEA tandem. The installation of redundant transport routing and loop architecture provides virtually immediately alternate routing facilities in the event that a transport facility between and end office and the CEA tandem is damaged.

By installing redundant routing between the end offices and the CEA tandem, the level of reliability of long distance service is substantially improved. The concentration of the traffic in the CEA networks between the end offices and the CEA tandem makes it economically feasible to provide greater redundancy than would be feasible for individual IXC's using direct trunking to end offices. Accordingly, it is probable that CEA makes greater reliability possible than end office equal access, particularly in the remote, rural exchanges that are typically served by CEA providers, such as MIEAC.

³ Id. at p. 5.

B. MCI incorrectly asserts that CEA leads to post dial delay and requires traffic to be returned to the point of origin for transfer to IXC.

In its comments, MCI states that “post-dial delay” is not an issue with end office equal access, inferring that it is an issue for CEA.⁴ MCI also states that “because calls must be rerouted from the end office to the tandem and back, significant post-dial delay can result.”⁵ Both of these suggestions are incorrect.

CEA networks, including MIEAC, have facilitated the introduction of SS-7 trunk signaling. The use of SS-7 trunk signaling dramatically improves call set up times and reduces post dial delay. Post dial delay was an early concern, which has been resolved through the installation of SS-7 technology.

Further, CEA tandems are typically located in the largest urban areas of the territory served, even if the exchanges receiving CEA service are in remote rural locations. IXCs typically have points of presence in such urban locations, and MIEAC, like other CEA providers, makes several locations available to IXCs to receive traffic. IXCs can receive traffic at locations close to the end offices receiving service from MIEAC, at the MIEAC CEA switch location, or at the MIEAC point of presence in downtown Minneapolis, within blocks of the points of presence of IXCs, such as MCI. Accordingly, any routing of CEA traffic back to the end offices of origin is the result of choices made by IXCs and is not an inherent part of CEA network architecture.

C. MIEAC and all other existing CEA networks provide the “2-PIC” method of presubscription that MCI recommends.

MCI recommends that the Commission require the 2-PIC presubscription.⁶ It is important to note that MIEAC, and other CEA networks, have provided 2-PIC presubscription since introduction of CEA service. Indeed, the CEA networks were the first to introduce 2-PIC

⁴ Id.

⁵ Id.

⁶ Id. at p. 4.

technology and were among the first to introduce 1+ IntraLATA presubscription. MIEAC began providing service in February, 1992. By using CEA, MIEAC has provided 2-PIC presubscription for 4 years. INS has been providing 2-PIC presubscription for an even longer period than MIEAC.

Indeed, MIEAC's decision to implement 2-PIC presubscription was a direct result of participation in the Minnesota Presubscription Study Committee which MCI cites⁷. The Minnesota Presubscription Study Committee was the direct result of a decision by the Minnesota PUC to authorize IntraLATA 1+ presubscription.⁸ The MIEAC project was a direct result of the decision of the Minnesota PUC to authorize IntraLATA presubscription. MIEAC was the first project in Minnesota to comply with the policy decision of the Minnesota PUC.

D. CEA networks do not provide any dialing advantage to affiliated long distance service providers.

The Minnesota Independent Interexchange Corporation (MIIC) d/b/a Polaris Telcom is an affiliate of MIEAC that provides interstate, InterLATA IntraLATA and international long distance services. Polaris Telcom does not, however, obtain any dialing advantage over unaffiliated long distance providers, such as MCI. Rather, Polaris Telcom receives its presubscribed traffic using the same CEA presubscription software as MCI.

The Act requires that "dialing parity" be provided as follows:

Each local exchange carrier has the following duties:

...
“(3) DIALING PARITY.-The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays.”⁹

⁷ Id.

⁸ Findings of Fact, Conclusions of Law and Order and Order Initiating Summary Investigations, Docket No. p-999/CI-85-582, Dated November 2, 1987.

⁹Section 251(b).

Dialing Parity is defined as follows:

The term 'dialing parity' means that a person that is not an affiliate of a local exchange carrier is able to provide telecommunications services in such a manner that customers have the ability to route automatically, without the use of any access code, their telecommunications to the telecommunications services provider of the customer's designation from among 2 or more telecommunications services providers (including such local exchange carrier).¹⁰

The Act does not require that any particular type of dialing arrangement, much less the location of the software providing the dialing arrangement. Accordingly, it is clear that CEA fully complies with the dialing parity requirements of the Act.

II. MCI'S CRITICISMS AND PREFERENCES SHOULD CERTAINLY NOT BE APPLIED TO ANY EXISTING CEA NETWORK OR TO PRIOR POLICY DECISIONS BY THE COMMISSION OR BY THE STATES.

As discussed above, the Commission has authorized MIEAC, and several other entities, to provide CEA. These existing CEA networks reflect the initiative of rural LECs to provide quality service in rural markets. MIEAC and the other CEA providers have made equal access available in their rural markets long before any bona fide request was received from any competing IXCs. there is no indication that MIEAC and the other CEA providers have provided anything other than high quality services that fully conforms to the authority granted by the Commission. Accordingly, it would be unreasonable and unlawful for any rules to be adopted which would prevent the continued operation of these existing CEA networks.

In addition, the rules adopted by the Commission in this proceeding should not impair any prior decisions by states that have approved the use of CEA, which include 1+ IntraLATA presubscription. It is clear that Congress intended that prior state decisions to introduce 1+ IntraLATA presubscription not be disturbed. The Act reads in part:

Except for single-LATA States and States that have issued an order by December 19, 1995, requiring a Bell operating company to implement intraLATA toll

¹⁰ 47 U.S.C. § 3(39)

dialing parity, a State may not require a Bell operating company to implement intraLATA toll dialing parity in that State before a Bell operating company has been granted authority under this section to provide interLATA services originating in that State or before 3 years after the date of enactment of the Telecommunications Act of 1996, whichever is earlier.

While these terms are directly applicable only to the BOCs, a comparable approach should be applied to the decisions of the States that have specifically authorized IntraLATA 1+ presubscription by other LECs.

Indeed, CEA remains a reasonable method to provide equal access in some rural areas. The Minnesota PUC has approved the use of CEA as a viable mechanism by which local exchange carriers in Minnesota can fulfill the Minnesota PUC's equal access policy requirements which include the provision of 1+ intraLATA presubscription¹¹. These decisions by the Minnesota PUC predate the Act, and should not be impaired by rules which the Commission may adopt in this proceeding. CEA has had a demonstrable, procompetitive impact, bringing IntraLATA 1+ presubscription to many rural areas far ahead of the urban areas served by the BOCs or larger Tier 1 LECs. Such procompetitive decisions by state PUC's and rural LECs should not be impaired by the subsequent adoption of rules by the Commission.

Further, the application of any rules to impair the operation of existing CEA networks would be directly contrary to the intent of the Act that Rural LECs not be required to incur unnecessary economic burdens. The obligation to provide dialing parity arises under Section 251(b). However, under Section 251(f)(2), the States the authority to resolve issues relating to suspensions or modifications of duties under both Section 251(b) and (c) for any LEC with less than 2% of the Nation's access lines. The Commission has tentatively concluded that the States

¹¹ Findings of Fact, Conclusions of Law and Order Initiating Summary Investigations, Docket No. P-999/CI-85-582, Dated November 2, 1987 and Order setting Implementation Guidelines for IntraLATA 1+ Presubscription, Docket P-999/CI-87-697, dated July 21, 1994.

June 3, 1996

alone have authority to make determinations relating to suspensions or modifications of the duties of LECs with less than 2% of the Nation's access lines.¹² The Commission is correct in that conclusion. Adopting a rule that would preclude LECs with less than 2% of the Nation's access lines from using CEA would impair the authority of the States to modify or suspend the duties of Section 251(b). Accordingly, such a rule should not be adopted.

III. SUMMARY.

For the reasons set forth above, MIEAC respectfully submits that;

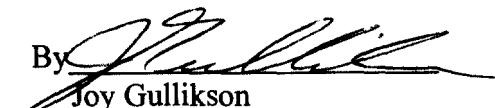
- 1) The Commission should recognize that CEA provides the dialing parity required by the Act ; and
- 2) The Commission should not adopt any rules that would impair;
 - (a) the operation of existing CEA networks;
 - (b) the authority of the States to modify or suspend the obligation of LECs with less than 2% of the Nation's access lines to provide dialing parity; or
 - (c) the fulfillment of prior policy decisions by State commissions, including the Minnesota PUC, that authorized the use of CEA to provide equal access in rural areas.

Date: June 3, 1996.

Respectfully submitted,

MINNESOTA INDEPENDENT EQUAL
ACCESS CORPORATION

By



Joy Gullikson
Regulatory Manager

37349

¹²Notice of Proposed Rulemaking, CC Docket 96-98 at ¶ 261.